



New Jersey Department of Children and Families Policy Manual

Manual:	CP&P	Child Protection and Permanency	Effective Date:
Volume:	VI	Adolescent Services	
Chapter:	B	Self Sufficiency	1-18-2017
Subchapter:	1	Transitional Planning	
Issuance:	400	Annual Credit Report for Adolescents Aged 14 and Older	

Purpose

This issuance establishes policies and procedures for the provision of credit reports to youth aged 14 to 21 in out-of-home placement, as required by the Federal Child and Family Services Improvement and Innovation Act (Public Law (Pub. L.) 112-34), which became effective on October 1, 2011.

Authority:

The Child and Family Services Improvement Act (Public Law 112-34).

Policy

In accordance with the Act, it is DCF policy to:

1. Provide credit reports to adolescents aged 14 to 21 in out-of-home placement, and assist youth aged 18 to 21 in out-of-home placement to obtain their own credit reports.
2. Assist adolescents in out-of-home placement age 14 to 21 with interpreting the credit report and resolving any inaccuracies.

Policy for Requesting Credit Reports for Adolescents Age 14 through 17

A) CP&P Worker Responsibilities for Credit Reporting for Minors:

Minors, age 14 through 17, must not request his or her own credit reports. The Worker must assist on behalf of these adolescents in out-of-home placement by completing the following:

1. Requesting the adolescent's credit reports from the three credit reporting agencies (CRAs) at least annually;
2. If a credit report exists, helping the adolescent to interpret the report;
3. Assisting the adolescent in disputing and resolving any inaccuracies or fraud. Note that no minor should have anything listed on their credit report; and
4. Documenting efforts in a contact note.

Note: CP&P must have a court order or other documentation of legal custody to make the request.

B) Requesting Reports from the CRA's for Minor Age 14 through 17:

The Worker must contact the following credit reporting agencies on behalf of the youth:

- **Trans-Union** - Compose a letter requesting a credit report using CP&P Local Office/State letterhead. Include the following information:
 - Adolescent's name;
 - Adolescent's current address;
 - Adolescent's Social Security number;
 - Adolescent's date of birth;
 - Instructions regarding where the report should be sent; enter the CP&P Worker's name and Local Office Address;
 - Attach the following to the letter; and
 - Copy of the Court Order-which indicates that State of New Jersey has custody of the adolescent (redact/black out all sensitive information, e.g. reason adolescent is in care, that adolescent's case goal).
- Mail this credit report request to:
 - TransUnion
Attn: Foster Care Youth Services
P.O. Box 10
Woodlyn, PA 19094
- **Experian** - Compose a letter requesting a credit report using CP&P Local Office/State letterhead. Include the following information:

- Adolescent's name;
- Adolescent's current address;
- Prior addresses within the past two years;
- Adolescent's Social Security number;
- Copy of the Adolescent's birth certificate or Social Security Card
- Adolescent's date of birth;
- Instructions regarding where the report should be sent; enter the CP&P Worker's name and the Local Office Address.
- Attach the following to the letter;
- Copy of the Court Order-which indicates the State of New Jersey has custody of the adolescent (redact/black out all sensitive information, e.g., the reason adolescent is in care, the adolescent's case goal); and
- Copy of the CP&P Worker's official State picture identification card.

Mail this credit report request to:

**Experian National Consumer Assistance Center
PO Box 2002
Allen, Texas 75013**

Experian will send the report in a white plain envelope with no indication that it is from that agency. The response will be "No Record" or "Record will be enclosed". Upon receiving the report, follow steps 2 and 3 in above, "CP&P Worker Responsibilities" section.

Equifax - Equifax has not created a process to request credit reports for minors. When Equifax establishes such a process, this policy will be updated.

Note: Do not save the adolescent's credit report onto any DCF computer or electronic device.

C) Correcting or Disputing Information in a Credit Report

If the Worker discovers that an adolescent's credit report contains misinformation, or indicators of identity theft, the Worker must take the following steps on the youth's behalf to prevent further harm. The Worker must maintain detailed written notes on steps taken.

D) Identifying and correcting inaccuracies/discrepancies

Credit reports may contain erroneous information. Even seemingly harmless mistakes such as misspelled names or incorrect addresses may be detrimental to a person's credit rating, and could be indicative of identity theft or other serious problems. All incorrect information must be reported to the credit bureau and the DCF Office of Legal Affairs if there is any suspicion of fraudulent activity such as identity thefts.

E) Contact the CRAs

The Worker must contact the three nationwide credit reporting agencies. Explain that the child is a minor and cannot legally enter into any type of contract. To prove that the child is a minor, send the credit reporting agencies a copy of the child's birth certificate or other documentation of age, such as a court order, and a letter asking them to remove all accounts, application inquiries, and collection notices from the credit report associated with the child's name or personal information. Documentation may also be needed to verify that the youth is in out-of-home care and the agency is authorized to act on the youth's behalf.

F) Place an initial fraud alert

If a credit report was created for the child as a result of identity theft, the Worker must consider placing an initial fraud alert on the report. An initial fraud alert requires potential creditors to verify a person's identity before extending credit. When a creditor knows that a minor child is involved, it will not ordinarily extend credit.

To place an initial fraud alert, contact any one of the three credit reporting agencies. The company that the Worker calls must contact the other two. All three will place the initial fraud alert on the report they have for the child. After the Worker places the initial fraud alert, the credit reporting company will explain your rights, including your right to get a free credit report from each credit reporting company.

G) Consider a credit freeze

If there is a credit report for the child, the Worker must consider placing a credit freeze. If the Worker places a credit freeze (also known as a security freeze), potential creditors cannot get the child's credit report, which makes it less likely an identity thief can open new accounts. The Worker must contact each of the three credit reporting agencies directly to place a freeze. The credit reporting agencies may ask for proof of the child's Social Security number, proof that the Worker is legally able to represent/are the child's legal representative, and a copy of the child's birth certificate. Putting a freeze on a minor's credit report can be a useful deterrent to additional fraud.

The Worker must lift the freeze from the credit report before the minor child applies for student or auto loans, an apartment, or job. Once the child turns age 18, he/she can ask to lift the freeze him or herself.

Although businesses do not ordinarily extend credit to a minor, the Worker also should consider placing an extended fraud alert - which lasts for seven years - on the credit report. When a business sees an alert on a credit report, it must verify the borrower's identity before issuing credit. Identity theft victims - including children and youth in care - can have an extended alert placed on their credit reports if they can provide an Identity Theft Report to the credit reporting company.

Procedures:

1) Procedures for Requesting Credit Reports for Adolescents Age 18 to 21

Adolescents age 18 and older can request their own credit reports. The CP&P Worker should not request a credit report for an 18 to 21 year old. The Worker provides assistance, as needed.

The CP&P Worker is responsible for assisting the older adolescent in out-of-home placement as follows:

1. Guiding the adolescent's efforts to obtain credit reports from the three credit reporting agencies (CRA's) within the first 60 days of entering placement, and annually thereafter;
2. Helping the adolescent to interpret the report;
3. Assisting the adolescent in disputing and resolving any inaccuracies and/or indications of fraud;
4. Completing CP&P Form [16-110](#), Credit Reports Form for Adolescents Age 18 to 21 with the adolescent. Provide one copy to the adolescent and retain one printed copy for the case record;
5. Ensuring the adolescent keeps copies of each credit report. Retain copies of the credit reports for the case record; and
6. Documenting all efforts to comply with this policy in a contact note.

Note: Do not save the adolescent's credit report onto any DCF computer or electronic device.

2) Requesting Reports from the CRAs

The Worker informs the young adult of the following information as needed:

1. Go to the website www.annualcreditreport.com.
2. Click on the State of New Jersey.
3. Follow instructions on the website. Fill in all identifying information requested.
4. On the next screen, select “reports for all CRAs,” then select “next.”
5. After the credit report is displayed, follow the instructions to e-mail, print, or save the credit report.
6. After the Worker receives the report from the first CRA, go back to www.annualcreditreport.com and select “next” to retrieve the credit report for the second CRA.
7. Repeat step 6 to retrieve credit report from the final CRA.
8. If problems are found, see Procedures for Correcting or Disputing Information in a Credit Report, below, which details how to dispute and resolve any inaccuracies in a credit report.
9. Complete CP&P Form [16-110](#), Credit Reports Form for Adolescents Age 18 to 21 with the adolescent. Provide one copy to the adolescent and retain one printed copy for the case record.

3) Procedures for Interpreting a Credit Report

Generally:

Each Credit Reporting Agencies report gives the name, date of birth and social security number (or the last four digits of the social security number) for the consumer. This information is checked carefully to verify that it matches the information in DCF records, social security card, and birth certificate.

When a credit report is received, it is important to record and keep the confirmation/report number from the CRA. The confirmation/report number is needed if there are any inaccuracies or fraud in order to file a report.

Credit reports for youth age 14 through 17 should not have any accounts listed or funds owed on accounts. If there are accounts or funds owed on the minor adolescents credit report a fraud report should be filed.

Credit reports for an adolescent age 18 to 21 may have accounts listed or funds owed. When the adolescent's credit report shows accounts with funds owed, past due or in collections, review these accounts and amounts with the adolescent to verify that there are no discrepancies and that there is no fraud.

4) Interpreting Particular CRA Reports

Experian

Experian has a sample credit report that explains each section of the credit report which can be found at <http://www.experian.com/assets/credit-education/brochures/sample-credit-report.pdf>

TransUnion

TransUnion credit reports have the following 7 topic areas:

- **Personal information:** name, date since the person has been on their files, social security number, date of birth and telephone number, employment data reported.
- **Account Information:** explains how they list the payment history that is reported to TransUnion.
- **Satisfactory Accounts:** Lists accounts that have no adverse information. This section will identify the agency, and a portion of the account number, balance, date updated, high balance, credit limit, last payment, pay status, account type, responsibility, terms, and date opened. Additionally there is a record of late payments and the payment history.
- **Regular Inquiries:** The names and addresses of companies that have received the credit report within the last two years. This section gives the date the report was requested and what the inquiry type is.
- **Account Review Inquiries:** Provides the names and addresses of companies and the date that have obtained information from the credit report for the purpose of an account review or other business.
- **Credit Report Messages:** Messages from the credit reporting agency, TransUnion.
- **Consumer Rights:** Explains the rights of a consumer under the Fair Credit Reporting Act.

Equifax

The Equifax credit report is divided into nine areas and allows the user to click on the blue words to get an explanation of the word or topic. There is an explanation after each topic area which gives tips to increase credit and/or what the section is reporting. If the Worker clicks on the words in blue in the first section - it will take you to that section of the report. The topic areas are as follows:

- Credit summary: Lists the account types that a person may have, mortgage, installment, revolving, and other, as well as the age of the account, the newest and oldest accounts of the consumer. This includes the names of companies that have inquired about the consumer's credit history, if there is any negative information regarding the consumer's credit. Potentially negative information gives an overview of late payments, accounts that are in collection status and public records.
- Accounts: Is detailed information about each open and closed account that the consumer has. After the name, address, and telephone number of the company is the account number, the type of account, the credit limit, term duration of the loan or account, when the payments are due, and the status.
- After each account is an 81 month payment history. There is a payment history key after all of the accounts are listed that explains what the symbol, numbers or letters mean in the 81 month payment history.
 - For a 14 through 17 year old youth, this section should not have any content.
 - For an 18 to 21 year old, it is important to review the section, which states if the account is paid as agreed or is delinquent, with the adolescent to ensure that the status of the account is accurate. The other areas to review are the name of the company, credit amount, date opened/closed, balance, and date of first delinquency. If the account is paid off and closed it will be noted next to "Activity Designator".
- Inquiries: Identifies the name, address and telephone number or the company(s) that have requested your credit report as well as the date of the inquiry. These inquiries are made by companies that the consumer has applied for a loan or credit.
- Negative information: Is identified as "negative accounts", which are accounts that are not paid as agreed in the credit agreement or loan. This area also lists any accounts that are in collections, and public records.
- Personal information: name, social security number, age or date of birth and names formerly known as. The current and previous addresses of the consumer and the date.

5) Procedures for Correcting or Disputing Information in a Credit Report

If the Worker discovers that an adolescent's credit report contains misinformation, or indicators of identity theft, the Worker takes the following steps on the youth's behalf to prevent further harm. The Worker maintains detailed written notes on steps taken.

6) Identifying and correcting inaccuracies/discrepancies

Credit reports may contain erroneous information. Even seemingly harmless mistakes such as misspelled names or incorrect addresses may be detrimental to a person's credit rating, and could be indicative of identity theft or other serious problems. All incorrect information should be reported to the credit bureau and the DCF Office of Legal and Legislative Affairs if there is any suspicion of fraudulent activity such as identity thefts.

7) Contact the CRAs

Contact the three nationwide credit reporting agencies. Explain that the child is a minor and cannot legally enter into any type of contract. To prove that the child is a minor, send the credit reporting agencies a copy of the child's birth certificate or other documentation of age, such as a court order, and a letter asking them to remove all accounts, application inquiries, and collection notices from the credit report associated with the child's name or personal information. Documentation may also be needed to verify that the youth is in care and the agency is authorized to act on the youth's behalf.

8) Place an initial fraud alert

If a credit report was created for the child as a result of identity theft, consider placing an initial fraud alert on the report. An initial fraud alert requires potential creditors to verify a person's identity before extending credit. When a creditor knows that a minor child is involved, it will not ordinarily extend credit.

To place an initial fraud alert, contact any one of the three credit reporting agencies. The company that the Worker calls must contact the other two. All three will place the initial fraud alert on the report they have for the child. After the Worker places the initial fraud alert, the credit reporting company will explain your rights, including your right to get a free credit report from each credit reporting company.

9) Consider a credit freeze

If there is a credit report for the child, the Worker can also consider placing a credit freeze. If the Worker places a credit freeze (also known as a security freeze), potential creditors cannot get the child's credit report, which makes it less likely an identity thief can open new accounts. The Worker must contact each of

the three credit reporting agencies directly to place a freeze. The credit reporting agencies may ask for proof of the child's Social Security number, proof that the Worker is legally able to represent/are the child's legal representative, and a copy of the child's birth certificate. Putting a freeze on a minor's credit report can be a useful deterrent to additional fraud.

The Worker must lift the freeze from the credit report before the minor child applies for student or auto loans, an apartment, or job. Once the child turns age 18, he/she can ask to lift the freeze him or herself.

Although businesses do not ordinarily extend credit to a minor, the Worker also should consider placing an extended fraud alert - which lasts for seven years - on the credit report. When a business sees an alert on a credit report, it must verify the borrower's identity before issuing credit. Identity theft victims - including children and youth in care - can have an extended alert placed on their credit reports if they can provide an Identity Theft Report to the credit reporting company.

Definition of Terms

For the purpose of this policy section, the following definitions apply:

“Adolescent” means a person who is 14 through 17 years old for whom CP&P has legal custody OR a person who is 18-20 years old (up to the person's 21st birthday) who has agreed to accept services and has an open CP&P case.

“Credit Reporting Agency (CRA)” means one of the three major credit reporting agencies required by law to provide a free annual credit report: Experian, Equifax, or TransUnion.

“Credit Report” means information compiled by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used as a factor in establishing that consumer's eligibility for credit.

“Out-of-Home Placement” means all out-of-home placement settings for adolescents, including, but not limited to, resource family homes, **group homes, independent living, and other adolescent housing programs.**

Note: Below is the chart describing “initial” and “extended” fraud alerts, and credit freeze.

Related Information

- The ONLY official web site established by the three CRAs to provide FREE credit reports is, AnnualCreditReport.com
- The Federal Trade Commission (FTC) is responsible for protecting consumer rights. Information is available at ftc.gov or by calling toll-free, 1-877-FTC-HELP (1-877-382-4357).
- CP&P Form [16-110](#), Credit Reports Form for Adolescents Age 18 to 21
- Click here to access the [Office of Adolescent Services Credit Reporting Guide](#)
- Click here to access the Annie E. Casey resource guide, entitled [Protecting the Credit of Youth In Foster Care](#)